

IRS Form 1099

It is not the Department of Conservation and Recreation's position to interpret tax laws and regulations. The information provided on this page is offered to guide grantees on the tax requirements associated with grant funds. This page was drafted in April 2006. Grantees are advised to contact a legal expert on tax law interpretation and for current tax requirements.

- Grantees are required to deliver an IRS Form 1099 to any independent contractor who provides \$600 or more of services per their federal taxpayer identification number or social security number during the calendar year. This includes payments to sole proprietors / individuals (not employees), partnerships, limited liability companies, and nonprofit organizations. Payments to corporations are not reportable.
- Grantees must also file the IRS Form 1099 with the Internal Revenue Service in accordance with IRS regulations.
- The appropriate IRS 1099 forms must be distributed to recipients by January 31 and to the IRS by February 28. If the date listed falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.
- The IRS provides detailed information on what to report on the various 1099 forms. DCR offers the following excerpts from the IRS Guide to Information Returns to be used to guide grantees in selecting the appropriate 1099 form for payments to others.

- Form 1099-G, Certain Government Payments – This form is used to report “... state and local income tax refunds, agricultural payments, and taxable grants.”

The Virginia Agricultural BMP Cost-Share Manual recommends that SWCDs use this form to report recipient income from agricultural & TMDL cost-share BMPs.

- Form 1099-MISC, Miscellaneous Income – This form is used to report “payments for services performed for a trade or business by people not treated as its employees. Examples: Fees to subcontractors or directors....”